

Assistance for Community Health Facilities Department of Health and Social Services – Program 4

I. PROGRAM OBJECTIVES

The objective of this program is to maintain the availability of mid-level practitioner medical care services in rural communities through fee-for-service and community and state subsidies.

II. PROGRAM PROCEDURES

The Division of Public Health awards grants to community and nonprofit corporations to assist in the operational support of health clinics staffed by nurse practitioners and/or physician assistants. The grantee submits applications, which detail all sources of revenue including fee-for-services, community support and state funds. Grant awards are negotiated based upon the anticipated operational subsidy required to maintain services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirements

Grant funds are to be [utilized] **used** to subsidize mid-level practitioner health clinic operations in accordance with 7 AAC 13.010 through 7 AAC 13.900. The funds may be [utilized] **used** to support personnel, travel, facility expense, supplies, equipment and other cost categories necessary to sustain the services as identified in the budget and program specifications. All services must be provided on a fee-for-services basis and in a non-discriminatory manner. The fee schedule must be based upon a rate structure that is consistent with customary charges for similar services within the state.

Suggested Audit Procedures

Review:

1. Contract or final Notification of Grant Award (NGA) including all conditions;
2. Grant/contract revisions and related transmittal letters;
3. Licenses, certifications, approvals, status of private nonprofit corporations if applicable;
4. Budget documents including final revised budget and budget narrative; and
5. 7 AAC 13.010 through 7 AAC 13.900.

Test financial and related records to determine that funds expended were for purposes specified in the grant/contract.

Compliance Requirement

Costs allowed or unallowed under this program are determined by grant regulations 7 AAC 78 as well as contract or budget [document] **documents** and special conditions.

Suggested Audit Procedures

- Review Department of Health and Social Services' grant regulations 7 AAC 78 and budget documents;
- Test financial and related records to determine the appropriateness of costs per 7 AAC 78; and
- Determine whether expenditures are within the budget limits prescribed by 7 AAC 78.260(e)(1).

B. ELIGIBILITY

Compliance Requirement

The agency must be a nonprofit or a political subdivision meeting the requirements of 7 AAC 78.030.

Suggested Audit Procedure

- Review articles of incorporation or other appropriate documentation, licenses, certifications and approvals to determine status of agency.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

There are no matching or level of effort requirements.

D. REPORTING REQUIREMENTS

Compliance Requirement

The Agency must submit quarterly activity and expenditure reports no later than thirty days after the close of each quarter.

Suggested Audit Procedures

- Confirm if such reports are being filed timely;
- That reported revenues and expenditures agree with the agency's general ledger; and
- That expenditures are within the budget limits or contract provisions.

Compliance Requirement

Agency audited financial statements must present a statement of revenue and expenditures for each state grant/contract. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedure

- Review audited financial statements for compliance with above.

Compliance Requirement

The agency must clearly show on their audited financial statement any outstanding liability to the state as payable to the state. This includes unspent grant funds or disallowed costs.

Suggested Audit Procedures

- [Determined] **Determine** whether or not the agency has any outstanding liability to the state; and
- Review audited financial statements to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures

- Obtain copy of program site review; and
- Determine if recommendations in the site review are being implemented.

Modified 05/02